



CALPEEK

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11th S.D. SPECIAL: BATTLE ALREADY UNDERWAY.

Editor's note: The battle to replace State Sen. Becky Morgan(R-Los Altos Hills), who hasn't even resigned her seat, is already underway, with lots of new developments to report. Here's our update & analysis...

...Former Congressman Tom Campbell(R-Palo Alto) will run for Morgan's seat, it was announced last week after CALPEEK had already gone to press. At that time we also ran the name of San Jose Assemblyman Chuck Quackenbush(R) as another potential candidate for Morgan's seat. Forget potential. He's IN and has contributed \$250,000 of his own money to start the campaign off. Although no contracts have been signed, sources believe the Sacto consulting firm of McNally-Temple & Assoc. will handle Quackenbush. CA Resources Network is aboard as fundraising consultants, while Greg Butler is expected to take a leave from his assembly job to handle day-to-day management...

...L.A. based GOP consultant Ron Smith is on Campbell's side, as is fundraiser Karen Kean and the S.F. polling firm of Charlton Research. Campbell and Quackenbush are the only major GOP players at this time. Conventional wisdom might seem to give Campbell an edge, but Bay Area sources say Quackenbush can be a tough campaigner. GOP Senate Leader Ken Maddy has already announced his support for Quackenbush and it's expected that many other GOP lawmakers from Sacto will back Quackenbush over Campbell. But the former congressman will have lots of support from the Silicon Valley business establishment and from the Northern Calif. Lincoln Club. Quackenbush and some Lincoln Club members aren't even on speaking terms...

...On the Demo side, Assemblyman Byron Sher of Palo Alto decided **not to run** (wimped out), thus leaving State Sen. Bill Lockyer(D-Hayward) in a slight bind. Lockyer is in charge of this race for the Senate Demos

and needs to come up with a credible Demo challenger. Santa Clara Co. Sup. Dianne McKenna is still on the long list. New San Mateo Co. Sup. Ted Lempert would have been the perfect choice, but he was just elected to the board of supes in June and if he ran it would create **major political problems**. Bottomline: Lockyer still has time, but he needs to get rolling soon...

...FYI: CALPEEK sources report that the powerful CA Teachers Assn. (CTA) may get involved in this race for Quackenbush, who **opposes** the controversial school voucher initiative on the November special election ballot. Campbell is **in favor** of the school voucher initiative(Prop. 174), which surprised a number of CALPEEK GOP sources who just assumed that Campbell would be opposed. Very interesting. Stay tuned...

PART 3: CALPEEK'S EARLY LINEUP FOR 1994.

Editor's note: Here is Part III of our preview of the 1994 June primary for both major political parties. This week: Attorney General and Controller...

● **Attorney General** - Hardline conservatives would love to see incumbent AG Dan Lungren(R) challenge Gov. Pete Wilson in the June GOP gubernatorial primary. But as CALPEEK has said before, Lungren is a team player and this won't happen. Only if Wilson were not in the picture would Lungren consider this move. He's very popular with most segments of the CA Republican Party. Missing from the Lungren campaign, so far at least, is Brian Lungren, Dan's brother, who basically retired from campaign management earlier this year. Handling the campaign duties are manager Joanne Stabler and daily operative Kuldip Kaur. Lungren also has put together an impressive fundraising

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operation, with Kimberly Peters in charge of the Northern Calif. operation. For Lungren, it's really wait & see time...

...On the Demo side, S.F. DA Arlo Smith is once again gearing up to run for this office. He came within 30,000 votes of defeating Lungren in 1990 and wants another chance. Smith has hired consultant Marc O'Hara of S.F. as campaign manager and it's assumed that Smith's son, Ace, also will take an active part in the campaign. Smith is *definitely running*. Still looking things over, but probably leaning *toward running* is Orange Co. Assemblyman Tom Umberg, who was a former Asst. U.S. Attorney before his election to the Assembly. Sources say he's talking to various consultants and taking his time in a careful search. Another name which pops up on almost all Demo lists is L.A. City Atty. James Hahn, who has been keeping a very low profile this summer. And on the Westside of L.A., we've even heard the name of former Congressman Mel Levine, but that's just a rumor, nothing substantial...

- **Controller** - With incumbent Gray Davis(D) running seriously for Lt. Governor, you'd think there would be more Republicans interested in this post. But so far only one rumored name has surfaced: former Assemblyman Tom McClintock. There was some talk that BOE member Matt Fong might run here, but that was before former Congressman Tom Campbell(R) dropped out of the Treasurer's race to run for the 11th S.D. seat of Becky Morgan...

...On the Demo side, Assemblyman Rusty Areias made his decision last week that he *will run* for controller. Sources say Ambrosino & Muir have signed on as general consultants and Charles Sena has been signed as Rusty's statewide finance director. Sena had been with Davis until about two weeks ago. Also helping in an unofficial capacity is PR/media whiz Bobbi Metzger. Still looking things over is BOE member Brad Sherman. He recently commissioned a poll by Fairbank, Maslin & Maullin (sample size 600, June 8-10) which showed that 45% of all voters recognized his name. The only other Demo name to surface is that of Senate President Pro Tem David Roberti. If Roberti were to run for this office, he'd be tough to beat. So far, however, Roberti hasn't committed to anything. More next week. Stay tuned...

FILING CLOSES IN 4th S.D. & 27th A.D. SPECIALS.

Editor's note: Filing closed July 19th for two legislative special elections in the 4th S.D. and 27th A.D. The primaries will be Aug. 31st and the runoff Nov. 2nd. Here's a quick rundown...

- **27th A.D.** - This is the special to replace new U.S. Rep. Sam Farr(D-Carmel). Demo hopefuls include former Santa Cruz Mayor John Laird, Santa Cruz Co. Sup. Gary Patton, Santa Cruz Co. resource planner David Hope, and Monterey Co. school board member Carolyn Plummer. The Republicans include former Santa Cruz Sentinel editor Bruce McPherson, Susan Whitman and Carl Cieslikowski. Susanne Espinoza is the P&F candidate, while Jerome McCready is an AIP candidate...

- **4th S.D.** - This is the special to replace Sen. Mike Thompson(D), who jumped to the 2nd S.D. The GOP hopefuls are Shasta Co. Sup. Maurice Johannessen and former Assemblywoman Bev Hansen. The Demos are Dennis Chuning and CDP Rural Caucus Chair Montana Podva. There is one independent candidate in this special. Stay tuned...

CA INITIATIVE UPDATE: TWO MORE MEASURES.

Editor's note: The CA Sec. of State has given the okay for two more initiative measures to begin signature drives to qualify for the June 1994 ballot. Here's a brief description of both...

- **"Reward Offers: Governor,"** is the official title of a statute to broaden existing law to enable the governor to offer a maximum reward of \$50,000 for info leading to the arrest and conviction of any person who kills, assaults with a deadly weapon or inflicts bodily harm upon any other person. The proponent is Ernest Hill of San Diego (619)294-7124. He has until Dec. 9th to collect 384,974 signatures...

- **"Budget, State,"** is the official title of this constitutional amendment which says that the governor and the legislature have to forfeit their salaries if the budget for the new fiscal year is not enacted by the June 30th deadline. The proponent is William Booth and George Dupray, both of Sacto (916)454-5805. They have until Dec. 9th to collect 615,958 signatures...

DLC TO HEAR FROM KATZ, GRIEGO & SANDERS.

The L.A. chapter of the Democratic Leadership Council of Calif. will feature guest speakers Linda Griego, Stan Sanders and Assemblyman Richard Katz. The meeting will be held from 6:30 p.m. to 9:30 p.m., July 28, Radisson Bel Air Hotel. For info call Scott Roeb (310)472-3852...

CONGRESSMAN KIM IN DEEP POLITICAL TROUBLE.

Editor's note: For CALPEEK readers outside of L.A. who might have missed this, beginning on July 15th the L.A. Times started a series of investigative reports about U.S. Rep. Jay Kim(R-Diamond Bar) which allege the congressman used JayKim Engineers, Inc. corporate funds to pay for hundreds of thousands of dollars in campaign expenses. Here is CALPEEK's analysis and update...

...L.A. Times reporter Claire Spiegel's two-part investigative article and subsequent updates, including a new story that the U.S. Grand Jury in L.A. has subpoenaed Kim's corporate financial records and campaign reports, leaves the impression that Congressman Kim is in **very hot water**, *legally and politically*. But it should be made clear that Kim has not been charged with any wrongdoing - not at this point. But politically, the damage is already done...

...The main story alleges that Kim used corporate funds (about \$400,000) to pay for campaign expenses, a figure that also includes his annual salary of \$186,300. Kim says he would have paid the money back to the company had the firm's former chief financial officer, Fred Schultz, given him a bill. This is the critical part of the entire story. Schultz says he gave Kim a running monthly account of campaign expenses paid by the firm, but that Kim told him not to bill the campaign. Whom do you believe?? That's the key to this story. And there's very little doubt that Schultz was the main source in Spiegel's story, probably supplying numerous documents and copies of checks and bills to back up his claim...

...But unfortunately for Kim, there's more to this story. During this entire period in 1992, JayKim Engineers was in **deep financial trouble** and even took company profit-sharing funds (\$173,000) to cover debts. That money was repaid with interest, but just taking the

money in the first place is a violation of IRS and labor laws. As of now, JayKim Engineers is in receivership after it defaulted on a \$1-million loan...

...Where does this leave Kim? One Republican source told CALPEEK very bluntly, "Jay Kim is toast." And one of Kim's 1992 GOP primary rivals, Jim Lacy, filed an official complaint with the FEC. With Kim's blood in the water, Lacy wants another shot. And sources up in Sacto confirm that Lacy isn't alone. GOP Assemblyman Paul Horcher(Diamond Bar) is also watching very closely. CALPEEK contacted another 1992 Kim rival, former Assemblyman Chuck Bader(R), who finished second, some 600 votes behind Kim. At this point, Bader doesn't want a 1994 rematch. Stay tuned...

GUNNERS TAKE AIM AT ROBERTI IN RECALL DRIVE.

Senate President Pro Tem David Roberti(D-Van Nuys) is the subject of a recall drive by a group called the Coalition To Restore Government Integrity. But the power behind the recall is really a **pro-gun group** called the Coalition Against Corruption(CAC), who are still angered over Roberti's authorship of the 1989 law outlawing certain types of semi-automatic weapons...

...By the time this issue of CALPEEK hits the street (barring some last minute hitch), the CA Sec. of State's office will probably give the coalition approval to begin its 160-day circulation drive to collect some 21,000 valid signatures. Four of the five recall advocates opposed Roberti when he first ran for the 20th S.D. seat in a special last year. They include Dolores White(R); Bill Dominguez(D); John Vernon(L); and Glenn Bailey(Green); and the one non-challenger, Hans Rusche. Recall supporters can be reached at coalition HQ (818)377-9975...

...Does the recall have a shot at succeeding? There were two successful recalls of State or legislative elected officials in 1913 and 1914, but since then 102 recall drives have **failed to succeed**. And Roberti, in his response to the recall, notes that because of *term limits*, he has to leave office anyway by the end of next year. The truth is, a recall on a lawmaker who is leaving anyway doesn't make much sense and if the drive does qualify, it could end up costing taxpayers a small fortune. Stay tuned...

LINEUP FOR NOV. 1993 BALLOT IS FINALLY SET.

Editor's note: Here's the way the special November 2nd election ballot will look, with numbers. This is supposed to be the finalized version...

- **Prop. 168** - SCA 17, dealing with low rent housing projects...
- **Prop. 169** - SCA 32, budget implementation bill, single subject requirement...
- **Prop. 170** - ACA 6, simple majority vote for school facility bonds...
- **Prop. 171** - ACA 41, Property taxation, transfer of base year value...
- **Prop. 172** - SCA 1, 1/2-cent sales tax extension for law enforcement...
- **Prop. 173** - AB 215, reauthorization of \$185 million in bonds for first time home buyers...
- **Prop. 174** - School voucher initiative...

FYI: The attempt to move SCA 1 (#172) to the first item on the ballot died in the State Senate after winning approval in the Assembly. And sources report that Orange Co.-based consultants Arnold Forde and Bill Butcher will handle the YES on 172 campaign. And as CALPEEK subscribers will recall, as we hit deadline last week, AB 215 was killed -- but like Dracula, arose from the dead to win a spot (#173) on the November ballot. Stay tuned...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

● **In the Line of Fire??** - Should Gov. Pete Wilson seek a 2nd term?? NO, according to the Amador Co. GOP Central Cmt., which voted unanimously on July 13th to ask Wilson not to seek reelection in the best interests of the Calif. Republican Party. Wilson's response to the Amador Co. GOP Central Cmt.: *a digital salute...*

● **Statham for Bd. of Equalization??** - Sources say that GOP Assemblyman Stan Statham of Oak Run is now under consideration for the open Board of Equalization seat in Northern Calif. Sources say Statham's key supporters are GOP Assembly Leader Jim Brulte and Assembly Speaker Willie Brown...

● **Run, Marian, Run** - State Sen. Marian Bergeson

(R-Newport Beach) has announced that she'll run for the Orange Co. Bd. of Supes next year --- to replace retiring Sup. Thomas Riley. Riley and the 4 other supes, as well as numerous other community leaders, have endorsed Bergeson. While this show of political muscle might keep most other hopefuls out, will this be enough to keep former Irvine Mayor Larry Agran from running???

● **Boxer's Star Trek Adventure** - About 2 weeks after the horrible S.F. killing spree, U.S. Sen. Barbara Boxer's office receptionist, Roger Calderon, was busted for carrying a gun into S.F. General Hospital, where he was being treated for some unknown illness. According to the UPI story, Calderon told investigators he was connected "with the CIA" and had been "conducting research on UFOs." Ohhhhhh...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● S.F. based campaign consultant Jackie Koenig has been tapped as director of research for the Nat'l Health Care Campaign. This is a special political project of the DNC. The aim is to build popular support for Pres. Clinton's health care reform measure, once it is introduced...

● A sad note to pass along. Gene Fuson, who recently retired as Director of Editorials for KCBS-TV in L.A., died July 16 after a long battle with cancer. He also had a long career in print journalism with Copley newspapers and in broadcast journalism with KFWB Radio before joining Channel 2. R.I.P...

● Marc Litchman has moved his Litchman Assoc. to 12400 Ventura Blvd., Ste. 315, Studio City, CA 91604. New phone (818)763-0481...

● Greer, Margolis, Mitchell et al move their West L.A. campaign management office to 11111 Santa Monica Blvd., Ste. 1770, L.A. 90025. New phone is (310)444-0445...

● L.A. based Cerrell Associates, Inc. has hired Lynne J. Connolly as an AE in CAI's local govt. affairs unit; and Greg H. Fant has been hired as an account coordinator in the firm's special events department...